



TREATING CUSTOMERS FAIRLY POLICY

GRINDROD BANK LIMITED (“REGULATED ENTITY”)

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1 TREATING CUSTOMERS FAIRLY (TCF)

- 1.1 TCF is an outcome based regulatory and supervisory approach designed to ensure that specific fairness outcomes for consumers of financial services are delivered by financial institutions.
- 1.2 Companies are expected to demonstrate through management behaviours and monitoring that they deliver the six outcomes to customers throughout the financial product lifecycle – from design, marketing, advice and service, to complaints and claims handling.

2 THE SIX FAIRNESS OUTCOMES

- 2.1 **Outcome 1: Culture and Governance**
Consumers can be confident that they are dealing with companies where the fair treatment of customers is central to the corporate culture.
- 2.2 **Outcome 2: Products and Service Design**
Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and are targeted accordingly.
- 2.3 **Outcome 3: Disclosure**
Consumers are provided with clear information and kept appropriately informed before, during and after the point of sale.
- 2.4 **Outcome 4: Suitable Advice**
Where consumers receive advice, the advice is suitable and takes account of their circumstances.
- 2.5 **Outcome 5: Performance and Service Against Expectation**
Consumers are provided with products that perform as companies have led them to expect, and the associated service is of an acceptable standard and what they have been led to expect.
- 2.6 **Outcome 6: Claims, Complaints and Changes**
Consumers do not face unreasonable post-sale barriers imposed by companies to change product, switch provider, submit a claim or make a complaint.

3 PURPOSE OF TCF POLICY

As has been noted above on the legal framework of TCF, the Regulated Entity wishes to embed all six TCF outcomes in the way in which it conducts business and this policy is therefore an authoritative statement to embed the outcomes and to enforce compliance with the outcomes.

4 TCF RESPONSIBILITY

4.1 Board

The Board is committed to the Financial Services Conduct Authority initiative of TCF. The Board will ensure that TCF principles are applied in all areas of our business.

4.2 Management

Incorporating TCF in the business is the responsibility of the executive directors/heads of department (management). Management shall be proactive in driving the process of incorporating TCF into the business. Should heads of departments wish to delegate, they may delegate such to senior employees, who have sufficient authority to ensure incorporation of such policy.

4.3 Compliance Officer

It shall not be the responsibility of the Compliance Officer to incorporate TCF into the business nor can it be outsourced to another party. The Compliance Officer will independently monitor TCF compliance from time to time and report on non-compliances detected.

5 ASSESSMENT AND MANAGEMENT INFORMATION

5.1 Heads of Departments shall complete an initial assessment of the products for which they oversee in order to identify the strengths and weakness measured against TCF outcomes.

5.2 Where weaknesses have been identified they shall be recorded and used to track progress made to improve weaknesses identified in the assessment and reporting to the Regulator.

5.3 Management shall compile and present working papers (Management Information) in a manner that will enable Directors to demonstrate adherence to this policy and for the Compliance Officer to submit such to Regulator where required to.

5.4 Heads of Departments shall submit the Management Information to Compliance Officer on the quarterly basis for monitoring.

6 OWNERSHIP INTERESTS AND ARRANGEMENTS WITH THIRD PARTIES & ASSOCIATES

6.1 All staff shall undergo an initial training and awareness session on the TCF principles through the induction process. Refresher training and awareness sessions shall take place on an adhoc basis as and when required. Training and awareness sessions may be done via electronic mediums.

6.2 Heads of Department must ensure that new staff members obtain adequate training.

- 6.3 A competency test shall take place at the end of the induction training as mentioned in 6.1. above. All staff who do not meet the required level of competence shall repeat the test.
- 6.4 Heads of Departments shall ensure that new representatives and client-facing staff complete the induction training to ensure completed prior to commencing their respective duties for the Regulated Entity.
- 6.5 Staff members who are client-facing shall have TCF responsibilities included in their job.

7 RISK MANAGEMENT, POLICIES AND COMMITTEES

- 7.1 The Risk Management Plans shall be reviewed by the relevant person in the organisation to ensure that it is appropriately aligned to the TCF principles.
- 7.2 The various policies and charters used in the Regulated Entity shall be reviewed and, where applicable, aligned to the TCF principles. The following policies and charters are to be reviewed:
- Audit and Compliance Charter;
 - Board Charter;
 - Social and Ethics Committee Charter;
 - FAIS Policy;
 - Conflict of Interest Management Policy;
 - Personal Account Trading Policy;
 - Complaints Policy;
 - Client Mandates.
- 7.3 TCF is an agenda point in the relevant committees and forums, which may include the following:
- Audit and Compliance Committee;
 - Social and Ethics Committee;
 - Operations Committee;
 - Executive Committee;
 - Marketing Committee.

8 REMUNERATION POLICY

- 8.1 The Regulated Entity shall be committed to ensure that all remuneration paid to employees/advisors/agents is not solely dependent on sales volume but takes into account primarily the quality of work of each party, their overall performance, and behaviour towards both the colleagues and customers.
- 8.2 The Regulated Entity undertakes to review Key Performance Areas in order to afford a TCF related weighting most appropriate to the employee role.

9 REVIEW

This policy shall be reviewed on an annual basis and/or when deemed necessary to do so.

Version	Date	Approved by	Description of Revision
1	18 November 2015	GBL Board	Creation of Document
2	16 November 2016	GBL Board	Annual review by Compliance
3	November 2017	GBL Board	Annual review by Compliance
4	November 2018	GBL Board	Annual review by Compliance, change from FSB to FSCA and inclusion of Social and Ethics Committee
5	November 2019	GBL Board	Annual Review by Compliance